

Issue Brief for Congress

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U.S. Space Programs: Civilian, Military, and Commercial

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***See also:** CRS Issue Brief IB93017, *Space Stations*; CRS Issue Brief IB93062, *Space Launch Vehicles: Government Activities, Commercial Competition, and Satellite Exports*; CRS Report RL31347, *The National Aeronautics and Space Administration's FY2003 Budget Request: Description, Analysis, and Issues for Congress*; and CRS Report RS21148, *Military Space Programs: Issues Concerning DOD's Space-Based InfraRed System (SBIRS)*.*

U.S. Space Programs: Civilian, Military, and Commercial

SUMMARY

The 107th Congress addressed a broad range of civilian, military, and commercial space issues, many of which are expected to be of interest to the 108th Congress as well.

The National Aeronautics and Space Administration (NASA) conducts the most visible space activities. NASA's International Space Station (ISS) program is the most controversial because it is over budget, behind schedule, and relies on Russia for some hardware and services. Nevertheless, it has survived 22 termination attempts in NASA funding bills since 1991. Other NASA issues are whether NASA is adequately managing its flight programs, ensuring the safe operation of the space shuttle, effectively developing new launch vehicles, and facilitating space commercialization. NASA requested \$14.5 billion for FY2002; Congress approved \$14.9 billion. The FY2003 request is \$15.0 billion (\$15.1 billion if federal retiree costs are included). Congress did not complete action on the appropriations bill that funds NASA (VA-HUD-IA). The agency is operating under the Continuing Resolution at FY2002 levels.

The Department of Defense (DOD) has a less visible but equally substantial space program. Tracking the DOD space budget is extremely difficult since space is not identified as a separate line item in the budget. DOD sometimes releases only partial information (omitting funding for classified programs) or will suddenly release without explanation new figures for prior years that are quite different from what was previously reported. The most recent figures from DOD show a total (classified and unclassified) FY2002 space budget of \$15.761 billion, and

a FY2003 request of \$18.481 billion. Congress completed action on the FY2003 DOD appropriations, but final figures for space funding are not yet available. DOD space issues include management of a program (SBIRS) to develop new early warning satellites, and management of military and intelligence space activities generally.

The appropriate role of the government in facilitating commercial space businesses is an ongoing debate. For many years, the focus has been on commercial space launch services, but commercial remote sensing satellites also pose complex questions in terms of encouraging the development of commercial satellites that provide high quality data, while protecting national security.

Space launch vehicles are similar to ballistic missiles and concerns exist about the potential transfer of certain space technologies to countries intending to build missiles. U.S. linkage between space cooperation and adherence to the Missile Technology Control Regime was a significant factor in reaching agreement on cooperative and commercial space activities with Russia, and creates a complex relationship with China depending on the political relationship between China and the United States.

International cooperation and competition in space are affected by the world economic situation and the post-Cold War political climate. President Clinton's 1993 decision to merge NASA's space station program with Russia's is symbolic of the dramatic changes, and the risks.

MOST RECENT DEVELOPMENTS

On November 13, NASA submitted an amended FY2003 budget request “to implement a new Integrated Space Transportation Plan (ISTP) and ensure the International Space Station is properly financed and better positioned to achieve its scientific research priorities.” Total NASA funding for FY2003-2007 would not change, but money would be shifted from the effort to develop a replacement for the space shuttle (the Space Launch Initiative) into the shuttle program so it can be used for a longer period of time, and to the space station program, including development of an Orbital Space Plane for taking crews to and from the space station. The House and Senate appropriations committees marked up the original NASA FY2003 budget request (part of the VA-HUD-IA bill, H.R. 5605/S. 2797). The House committee added \$300 million, and the Senate committee added \$200 million, to NASA’s \$15 billion request. The 107th Congress did not complete action on the FY2003 VA-HUD-IA appropriations bill. NASA is currently funded through a Continuing Resolution at its FY2002 spending level (\$14.9 billion).

On December 2, the President signed into law the FY2003 DOD authorization act (P.L. 107-314). He signed the FY2003 DOD appropriations act (P.L. 107-248) on October 23. DOD’s FY2003 request for space activities was \$18.5 billion, compared with \$15.8 billion appropriated in FY2003. Perhaps the most controversial DOD space program is the Space-Based InfraRed System (SBIRS). The program consists of two components, SBIRS-High (managed by the Air Force) and SBIRS-Low (managed by the Missile Defense Agency). Both are over budget and behind schedule. DOD requested \$815 million for SBIRS-High in FY2003, an 83% increase over the \$445 million appropriated in FY2002. For SBIRS-Low, \$294 million was requested. The DOD appropriations act cuts SBIRS-High by \$30 million, and fully funds SBIRS-Low. The authorization act cuts \$40 million from SBIRS-High and fully funds SBIRS-Low. See CRS Report RS21148 for more on SBIRS.

BACKGROUND AND ANALYSIS

U.S. Government Civilian Space Programs

National Aeronautics and Space Administration (NASA)

The establishment of the National Aeronautics and Space Administration (NASA) in the National Aeronautics and Space Act of 1958 (P.L. 85-568, the “NASA Act”), symbolized the entrance of the United States into the space age. The Soviet Union had successfully orbited the first artificial satellite, Sputnik 1, on October 4, 1957, lending the U.S. space program a new urgency. The first U.S. satellite, Explorer 1 (developed and launched by the Army), was orbited on January 31, 1958 after several failures of the Naval Research Laboratory’s Vanguard rocket. President Eisenhower’s desire to separate military and civilian space activities led to the “NASA Act” and the creation of the civilian NASA on October 1, 1958, with the Department of Defense (DOD) retaining control over military space programs.

Human Spaceflight and Space Launch Vehicles. The Soviets achieved another space “first” on April 12, 1961, when Yuri Gagarin became the first human to orbit Earth. The United States responded by launching Alan Shepard into space on May 5 (though he

made only a suborbital flight; the first American to orbit the earth was John Glenn in February 1962). Following Shepard's flight, President Kennedy announced that the United States intended to put a man on the Moon within a decade, a goal accomplished on July 20, 1969 when Neil Armstrong and Buzz Aldrin walked on the Moon (a total of six 2-man crews walked on the Moon through 1972). Apollo was followed by the Skylab space station (to which 3 crews were sent in 1973-1974) and the 1975 Apollo-Soyuz Test Project in which a U.S. Apollo spacecraft with 3 astronauts and a Soviet Soyuz spacecraft with 2 cosmonauts docked for 2 days of joint experiments.

In 1972, President Nixon approved NASA's space shuttle program to develop a reusable spacecraft for taking crews and cargo into Earth orbit. The first shuttle flight occurred in 1981 and the system was declared operational in 1982. The *Challenger* tragedy in January 1986 suspended shuttle operations for 32 months, but all the missions since the shuttle returned to flight in 1988 have been successful. Concerns remain about shuttle safety, however (see CRS Issue Brief IB93062).

In 1984, President Reagan directed NASA to build a permanently occupied space station "within a decade." In 1988, Europe, Canada and Japan agreed to be partners with the United States in building the space station. Redesigned and rescheduled repeatedly, President Clinton called for yet another redesign in 1993 and later that year merged NASA's space station program with Russia's. That program, the International Space Station (ISS), is currently under construction (see CRS Issue Brief IB93017). Six major modules and other hardware are in orbit, and the station is permanently occupied by successive three-person crews rotating on 4-6 month shifts. Other astronauts and cosmonauts routinely visit ISS on the U.S. space shuttle or Russian Soyuz spacecraft for shorter missions to exchange crews, deliver supplies or more ISS segments, or exchange Russian Soyuz "lifeboats," which must be replaced every 6 months. Questions about Russia's financial ability to fulfill its continuing obligations to the ISS program, and substantial cost overruns on NASA's part of the program, make ISS an issue of continuing controversy. The Bush Administration has decided to truncate construction of ISS at a phase it calls "core complete" in response to the NASA cost growth. At that point, ISS crew size will remain at three, instead of increasing to seven as planned. Consequently, less research may be conducted aboard the station. The other countries participating in the program have expressed deep concern. Twenty-two attempts in Congress since 1991 to terminate the program in NASA funding bills have failed.

The space shuttle is NASA's sole means of launching humans into space. NASA, sometimes in concert with DOD, has been attempting since the 1980s to develop a replacement for the space shuttle. In November 2002, NASA refocused its most recent effort, the Space Launch Initiative, in a different direction. NASA announced that it now plans to keep the shuttle operational at least until 2015, and perhaps until 2020 or longer. See CRS Issue Brief IB93062 for more information.

Science Programs. NASA has launched many spacecraft for space and earth science. Robotic probes served as pathfinders to the Moon for astronauts, and have visited all the planets in the solar system except Pluto. (Proposals to launch a probe to Pluto are discussed under "NASA Issues.") Many have been quite successful, but there have been failures, too. In 1999, for example, two NASA Mars missions failed, at a combined cost of \$328.5 million. They reflected NASA's "faster, better, cheaper" (FBC) approach to scientific spacecraft, replacing large, complex spacecraft that can acquire more information, but take longer and cost more to build. The last two of that type are Galileo, which arrived

at Jupiter in 1995 and continues to return data, and Cassini, now enroute to Saturn. The FBC approach was subsequently scrutinized and NASA restructured its Mars exploration program significantly. Instead of launching orbiter-lander pairs in 2001 and 2003 and a sample-return mission in 2005, NASA launched an orbiter in 2001 (Mars Odyssey) which is now orbiting that planet, and plans to launch twin landers in 2003, an orbiter in 2005, and additional spacecraft through the remainder of the decade. Plans for a sample-return mission in the first half of the next decade have been terminated. NASA also has sent, or plans to send, spacecraft to other planetary destinations, as well as comets and asteroids.

Space-based observatories in Earth orbit have studied the universe since the 1960s, creating new fields of astronomy since space-borne telescopes can intercept wavelengths (such as x-rays and gamma rays) that cannot penetrate Earth's atmosphere. In the 1980s, NASA embarked upon building four "Great Observatories" for studies in different parts of the electromagnetic spectrum. Three have been launched: Hubble Space Telescope, launched April 1990 (for the visible wavelengths); Compton Gamma Ray Observatory, launched April 1991, deorbited June 2000; and Chandra X-Ray Observatory, launched July 1999. The fourth, Space Infrared Telescope Facility (SIRTF), was reduced in size because of budgetary issues. It is scheduled for launch in 2003.

NASA also has solar-terrestrial physics programs that study the interaction between the Sun and the Earth. In FY2001, NASA began the Living with a Star program that envisions the launch of many spacecraft over the next decade to obtain more accurate information on how the Earth and society are affected by what has come to be known as "space weather"—including, for example, negative effects of solar activity on telecommunications.

The 1960s witnessed the development of communications and meteorological satellites by NASA, and in the 1970s, land and ocean remote sensing satellites. NASA's role in this aspect of space utilization traditionally is R&D. Once the technology is proven, operational responsibility is transferred to other agencies or the private sector. NASA continues to perform research in many of these areas. NASA's major environmental satellite research program today is the Earth Observing System (see **Environment**).

NASA also has an office for biological and physical research related to ensuring that humans can live and work safely and effectively in space, and for fundamental research that can be conducted in the microgravity environment available on space-based facilities such as the space shuttle and the space station. The Bush Administration's decision to truncate construction of the space station is affecting what research can be conducted there, and NASA is working on a reprioritization of its scientific research plan accordingly.

Other Civilian Government Agencies

Beginning in the 1960s, other civilian agencies became involved in space. At that time, operation of weather satellites was transferred to what is now the National Oceanic and Atmospheric Administration (NOAA) in the Department of Commerce. The Landsat land remote sensing satellite system was transferred to NOAA in 1979. (Later, NOAA oversaw private sector operation of the system, but in 1992, Congress moved the program back into the government; see below). The Department of Commerce is involved in space issues due to its role in trade policy and export of items on the Commerce Control List, and has an Office of Space Commercialization to facilitate commercial space businesses. In 1983, the Department of Transportation (DOT) was given responsibility for facilitating and regulating

commercial launch services companies. This function is performed through the Federal Aviation Administration. DOT and DOD co-chair a group that oversees use of DOD's Global Positioning System of navigation satellites. DOT represents civilian users and has programs to augment the system's utility to the civilian community. Other government agencies involved in space include the Department of Energy, which develops nuclear power sources for satellites; the U.S. Geological Survey in the Department of Interior which operates the Landsat satellites; the Departments of Agriculture and other departments that use satellite data for crop forecasting and map making, for example; and the Department of State, which develops international space policy and determines whether to grant export licenses for items on the Munitions List (including some types of spacecraft and launch vehicles). The National Security Council, the Office of Science and Technology Policy, and the Office of the U.S. Trade Representative, also are involved.

Commercial Space Programs

Civilian communications satellites have been chiefly a private sector activity since passage of the 1962 Communications Satellite Act (P.L. 87-624). Attempts to commercialize other aspects of space activities have yielded mixed success. Congress has passed several laws to facilitate the commercialization of space launch services for putting satellites into orbit (the 1984 Commercial Space Launch Act, the 1988 Commercial Space Launch Act Amendments, and the 1998 Commercial Space Act). The development of a U.S. commercial launch services industry has been largely successful. DOD and NASA continue to play a strong role in developing new launch vehicles, though private companies are partnering with the government or developing their own. The most controversial issues are the relative roles of the government versus the private sector in developing new systems, ensuring that U.S. companies can compete with foreign launch services companies, and trade and missile proliferation issues involved in exporting satellites to other countries for launch. See CRS Issue Brief IB93062.

Congress also sought to facilitate commercialization of land remote sensing satellites by privatizing the government's Landsat program through the 1984 Land Remote Sensing Commercialization Act (P.L. 98-365). Such satellites provide imagery of the Earth that can be used for land-use planning, environmental studies, mineral exploration, and many other uses. After a tumultuous 8 years that saw the effort to privatize Landsat fail, Congress repealed that Act and replaced it with the Land Remote Sensing Policy Act of 1992 (P.L. 102-555), bringing Landsat back under government sponsorship. The Act also promoted development of new systems by the private sector. Coupled with a 1994 Clinton Administration policy, these actions led several U.S. companies to initiate programs to build remote sensing satellites and offer imagery on a commercial basis. Those companies must obtain an operating license from NOAA for such systems. The first successful launch of a commercial imaging satellite, Space Imaging's Ikonos 2, was achieved in September 1999.

Controversy over the fact that the imagery has military as well as civilian uses continues to complicate this commercial space effort, however. Though not as precise as military reconnaissance satellites, two operating U.S. private sector satellites, Ikonos 2 (owned by Space Imaging) and QuickBird (owned by DigitalGlobe), produce imagery with 1 meter and 0.6 meter resolution (the ability to "see" an object or feature of a certain size), respectively. Competitors to U.S. commercial satellite imaging companies include French,

Russian, Indian, and Israeli companies that offer imagery with 2.5-meter, 1-meter, 1-meter, and 1.8-meter resolution respectively. Tensions between the U.S. government and the private sector over policy set by the Clinton Administration in 1994 to ensure that national security is not harmed by commercial imagery sales continue. The National Security Council is currently reviewing commercial remote sensing policy, with recommendations due in November 2002. One major issue is when the government can exercise “shutter control,” forcing companies to discontinue obtaining or distributing imagery of certain parts of the world in times of crisis. Shutter control is part of the 1994 policy, but the companies want greater guidance on when it could be exercised. DOD took a different approach to controlling access to imagery when the United States initiated attacks in Afghanistan. For two months, the National Imagery and Mapping Agency (NIMA) bought exclusive rights to Ikonos imagery of that area from Space Imaging so that no one else could use the data without NIMA’s approval. The practice was dubbed “checkbook shutter control” in the media. Some groups complained that the media and relief agencies need that data, too. Another issue is the government’s role in controlling to whom the imagery is sold and which countries may invest in the U.S.-owned systems. U.S. companies want time limits on how long the government can take to decide whether particular sales or investments will be permitted so they can make wise business decisions. Under the 1992 Landsat Act, the Commerce Department has 120 days to accept or reject license applications. However, Clinton Administration policy required that Commerce consult with other agencies, including the Departments of State and Defense. Those departments have no time limits.

Special issues have arisen regarding Israel. On October 7, 1994, Senator Bingaman and 63 other Senators sent a letter to the Secretary of Commerce expressing concern that data from Eyeglass (a U.S. system, subsequently renamed Orbview, that was to be built by Orbital Sciences Corporation) that could be used against Israel would be made available to Saudi Arabia, which was providing partial financing for the system and would be the location of a ground station. The FY1997 DOD authorization bill (P.L. 104-201) included language prohibiting the collection and release, or U.S. government declassification, of satellite imagery of Israel unless such imagery is no more detailed or precise than what is available from commercial sources.

Potential availability of commercial imagery also has a positive side for the military, since the U.S. military and intelligence communities could reduce costs by acquiring imagery commercially instead of building their own systems for some purposes. The House and Senate Intelligence Committees have strongly encouraged NIMA to purchase commercial imagery to augment classified imagery. The January 2001 report of the Independent Commission on NIMA (see **Military Space Issues**) strongly endorsed NIMA acquisition of commercial imagery, and supported the proposal to allow private sector companies to build satellites with half-meter resolution.

Other potential commercial space activities are microgravity materials processing (making products such as purer pharmaceuticals by utilizing the microgravity conditions in space), space tourism, and space facilities such as Spacehab’s modules that fly inside the space shuttle’s cargo bay for scientific experiments or carrying cargo.

Several bills were introduced in the 107th Congress related to commercial space activities. H.R. 1707 (Berman), the Satellite Trade and Security Act; H.R. 1931 (D. Weldon), the Spaceport Equality Act; and H.R. 2177 (Calvert), the Invest in Space Now Act, all focused on commercial space launch issues. H.R. 2443 (Lampson) sought to facilitate

the emergence of a space tourism industry. H.R. 2504 (Rohrabacher) would have created a tax exemption for certain emerging commercial space activities. There was no action on them.

Military Space Programs

The creation of NASA was a deliberate step by President Eisenhower to separate military and civilian space activities. Among other things, he wanted to stress that the United States was interested in the peaceful uses of space, but recognized that space had military applications as well. The 1958 National Aeronautics and Space Act specified that military space activities be conducted by the Department of Defense (DOD). The Air Force is the executive agent for DOD space programs. The intelligence community (coordinated by the Director of Central Intelligence) makes significant use of space-based intelligence collection capabilities, and participates in managing satellite reconnaissance programs through the National Reconnaissance Office (NRO), an agency within DOD. NRO builds and operates intelligence collection satellites, and collects and processes the resulting data. The data are provided to users such as NIMA and the National Security Agency (NSA).

How to organize DOD and the intelligence community to work effectively on space matters has been an issue for several years. Congress established commissions to review the NRO as part of the FY2000 intelligence authorization act (P.L. 106-120); the U.S. National Security Space Management and Organization (the “Rumsfeld Commission” or “Space Commission”) in the FY2000 DOD authorization act (P.L. 106-65); and NIMA in the classified annex to the FY2000 DOD appropriations act (P.L. 106-79).

DOD and the intelligence community rely increasingly on satellites for reconnaissance, surveillance, early warning of missile launches, weather forecasts, navigation, and communications. The 1990-1991 Persian Gulf War is dubbed by some as the first “space war” because support from space displayed great improvement over what was available during the previous major conflict, Vietnam. In the Persian Gulf War, space-based sensors furnished commanders and staff at all levels with detailed information, often in near real-time, and satellites were crucial for communications. GPS navigation satellites helped U.S. and allied land, sea, and air forces pinpoint their own locations as well as enemy targets. Satellites are providing similar support in the ongoing war against terrorism.

The separation between military and civilian space programs remains, but the functions performed by satellites and the vehicles that launch them are not easily divided. Both sectors use communications, navigation, weather, and remote sensing/reconnaissance satellites, which may operate at different frequencies or have different capabilities, but have similar technology. The same launch vehicles can be used to launch any type of military, civilian, or commercial satellite. DOD uses some civilian satellites and vice versa.

DOD develops space launch vehicles, too. The Delta, Atlas, and Titan launch vehicles were all initially developed by DOD, while NASA developed Scout and Saturn (both no longer produced), and the space shuttle. All except the shuttle are “expendable launch vehicles” (ELVs) that can only be used once (the shuttle is reusable). An August 1994 Clinton Administration policy gave DOD responsibility for maintaining and upgrading the

ELV fleet (through the Evolved Expendable Launch Vehicle program), while NASA maintains the shuttle and develops new reusable technology (see CRS Issue Brief IB93062).

After the Cold War ended, DOD and congressional interest in space weapons, both those to attack other satellites (antisatellite, or ASAT, weapons) and weapons based in space to attack ballistic missiles, declined initially, but since the 104th Congress, funding has been added for these projects (see below). Using satellites to attack ballistic missiles has been controversial since President Reagan's 1983 announcement that he would initiate a Strategic Defense Initiative to study the viability of building a ballistic missile defense system to protect the United States and its allies. The Clinton Administration changed the name of the Strategic Defense Initiative Organization to the Ballistic Missile Defense Organization (BMDO) to reflect a new focus on theater missile defense in the wake of the Persian Gulf War, rather than national missile defense. The Bush Administration changed the name to the Missile Defense Agency (MDA) to reflect its interest in broad missile defense goals (see CRS Report RL31111). The concept of placing weapons in space as part of a missile defense system remains controversial. In the 107th Congress, legislation (H.R. 2977) was introduced to ban U.S. space-based weapons and require the President to initiate actions to adopt and implement a world treaty banning such weapons; there was no action on the bill. Whether missile defense weapons ultimately are based in space or on the ground, a missile defense system would require satellites for early warning, communications, and other functions.

Interagency Coordination

Several mechanisms have been tried since 1958 to coordinate interagency space policy. Dissatisfied with the Reagan Administration's approach of using a Senior Interagency Group (SIG/Space) under the National Security Council (NSC), in the FY1989 NASA authorization act (P.L. 100-685), Congress re-created the National Space Council. The original council, which included aeronautics, created in the 1958 Space Act, was abolished by President Nixon in 1973. Under President George H. W. Bush, the Space Council was headed by Vice President Quayle. President Clinton decided to merge the Space Council functions into a National Science and Technology Council, administered through the Office of Science and Technology Policy. It oversaw civil and commercial space policy; while military space activities were overseen by the National Security Council. The Space Council still exists in law, but it is not staffed or funded. Some space advocates hoped President George W. Bush would reactivate the Space Council, but a mechanism called a Policy Coordinating Committee (similar to SIG/Space) was chosen instead. On July 28, 2002, in NSPD-15, President Bush directed the NSC to chair a review of national space policies. Results are due by November 30, 2002 for commercial remote sensing policy; by December 31, 2002 for space transportation policy; and by February 28, 2003 for revision, consolidation, and/or elimination of existing national space policy-related statements.

International Cooperation and Competition

Virtually every country in the world uses satellites for communications and obtaining weather data, but the usual measure of whether a country is a member of the “space-faring” club is its ability to launch satellites. By that criterion, Russia, the United States, China, Japan, India, Israel, and Ukraine, and the European Space Agency (ESA), are members. ESA developed the Ariane launch vehicle; Ariane launches are conducted by the French company Arianespace. These countries, including many of the individual members of ESA, present opportunities for cooperation in space, as well as competition. The 15 members of ESA are Austria, Belgium, Denmark, Finland, France, Germany, Ireland, Italy, the Netherlands, Norway, Portugal, Spain, Sweden, Switzerland, and the United Kingdom.

The NASA Act specifically states that NASA may conduct international space activities. Most NASA programs today have an international component. One of the major cooperative projects today is the space station (see CRS Issue Brief IB93017). European countries, both individually and through ESA, Canada, and Japan have participated in many cooperative space programs with NASA. Most also compete with U.S. companies in space activities such as launch services for placing satellites into orbit. Other competitors include France, Russia, India and Israel in remote sensing, Europe in communications satellite manufacturing, and Europe and Japan in microgravity materials processing research.

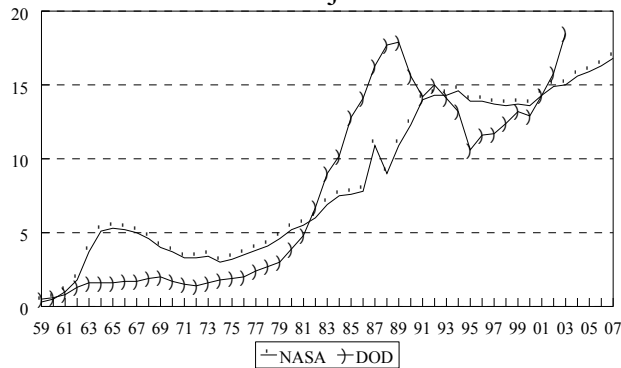
Cooperation and competition between the United States and the former Soviet Union attracted much attention. Competition with the Soviet Union was measured less in economic terms than in prestige and national defense. The prestige competition may have ebbed, and the reduction in military tensions has muted concerns about military satellites. Thus, the main area of competition in the future may be on the economic front. However, Russian and Ukrainian companies have joint ventures with U.S. firms to provide launch services, so economic cooperation also exists.

NASA and DOD Space Budgets

The majority of U.S. government space funding goes to NASA and DOD. This table shows NASA and DOD space funding, but must be used cautiously. Tracking

the DOD space budget is difficult since space is not specifically identified as a line item in the DOD budget. OMB and GAO provided CRS with DOD space funding figures through FY1995 including funding for both unclassified and classified DOD space programs. However, in 1996, the Director of Central Intelligence decided for the first time to classify the NRO funding figure so total figures for DOD space spending were not available for more than a year. In the summer of 1997, the Administration finally released a number for the total DOD FY1996 space budget, \$11.5 billion, but at the same time revised numbers

NASA/DOD Space Funding
In Billions of Unadjusted Dollars



Does not include Transition Quarter. See text for other notes.

downward for FY1992-1995 without explanation. This table shows the data as provided in the FY2000 Aeronautics and Space Report of the President (released in 2002), with additional data from NASA's FY2003 budget estimate (including out-year projections), and FY2000-2003 data provided by DOD in April 2002. According to DOD, its FY2002 space budget is \$15.761 billion, and its FY2003 request is \$18.481 billion. NASA received \$14.9 billion in FY2002; its FY2003 request is \$15.0 billion (or \$15.1 billion if federal retiree costs are included). All NASA figures include aeronautics funding, ranging from \$400 million-\$1 billion annually in recent years.

Space Program Issues

NASA Issues

NASA continues to face much uncertainty as its new Administrator, Sean O'Keefe, alters agency management and programs to reflect the President's Management Agenda (of which he reportedly was a primary author while he was Deputy Director of the Office of Management and Budget). Mr. O'Keefe replaced Daniel Goldin, who held the position for almost 10 years (April 1992-November 2001). With a background in public administration and budgets, Mr. O'Keefe's appointment is viewed by many as a signal that striving for more effective management will be the Bush Administration's primary near-term goal for NASA.

Among the changes is Mr. O'Keefe's decisions to centralize program management at NASA headquarters for several key NASA activities (such as the space station), apparently in an effort to manage the programs more effectively. Mr. Goldin had decentralized program management, moving it into NASA's various field centers around the country. Mr. O'Keefe is challenging concepts that many in NASA and the broader aerospace community have held true for many years. For example, in refocusing the Space Launch Initiative—a program designed to develop technologies to build a lower cost replacement for the space shuttle—Mr. O'Keefe referred to the SLI's goal of lowering launch costs as a “bumper sticker.” Instead, Mr. O'Keefe is requesting congressional approval to redirect the SLI program to focus instead on building an Orbital Space Plane to take crews to and from the space station using an ELV instead of an RLV. He stated that lowering launch costs is no longer an agency goal, even though many space advocates argue that lowering launch costs is the key to commercial utilization of space.

Overall, Mr. O'Keefe inherited an agency that has been enjoying many mission successes both in its human spaceflight and robotic programs. ISS has been operating with sequential 3-person crews since November 2000, a new Mars probe correctly entered Martian orbit in 2001 (following the failure of two Mars probes in 1999), and several other scientific spacecraft, including the Hubble Space Telescope, continually return data. On the other hand, NASA also is coping with approximately \$5 billion in cost growth on the ISS program, above an already existing \$7 billion overrun. (see CRS Issue Brief IB93017). The Bush Administration announced dramatic changes that could affect the extent to which ISS can host a “world class” research program as intended by cutting research funding and limiting crew size aboard the space station to three instead of seven. Following expressions of deep concern by the non-U.S. partners in the space station program (Russia, Canada, Europe, and Japan), and a report of an independent review committee that warned of the

significant reduction in scientific return that would result from scaling back the space station, NASA submitted an amended FY2003 budget in November 2002 that, it says, will allow the space station to better achieve its scientific potential. The 108th Congress is expected to consider the amended request when it convenes. The future of the shuttle also has been widely debated. After signaling that the Bush Administration wanted to privatize the shuttle, as part of the November 2002 amended budget submission, NASA announced that it now will keep the shuttle operational longer than expected—at least until 2015, and perhaps until 2020 or longer, instead of 2012. Additional funding for the space station and space shuttle will come from the Space Launch Initiative program (discussed above). See CRS Issue Brief IB93062.

In space science, the Bush Administration's interest in a more robust Mars exploration program, coupled with increased funding requirements for several ongoing programs in response to lessons learned from the 1999 Mars failures, led NASA to terminate a planned mission to Pluto—the only planet not yet visited by a NASA probe—and a Solar Probe in its FY2002 budget request. Congress disagreed with those cancellations, however, and restored both programs in the FY2002 VA-HUD-IA appropriations act (P.L. 107-73). In the FY2003 budget request, NASA again planned to terminate the Pluto mission, which would also investigate the Kuiper Belt (the “home” of comets), as well as a mission to explore Europa, a moon of Jupiter. Europa may have an ocean of liquid water, a scientifically intriguing discovery. Congress approved the Europa mission in FY2002, capping its funding at \$1 billion. The Bush Administration concluded the Pluto/Kuiper Belt (PKB) and Europa missions were too expensive. Still, it signaled support for space science generally, with total funding expected to increase from \$3.4 billion to \$4.5 billion between FY2003 and FY2007. Included are two new initiatives: \$15 million for a “New Frontiers” program in which proposals for new planetary exploration missions would compete against each other; and \$125.5 million for space nuclear power and propulsion technologies that NASA officials say would enable spacecraft to reach their destinations more quickly and operate for longer periods of time. A NASA-requested study by the National Research Council concluded in July 2002 that a mission to the Kuiper Belt and Pluto (but not necessarily the PKB mission already being designed) should be NASA's highest priority medium-class (\$325-\$650 million) mission, and Europa should be the highest priority “flagship” (more than \$650 million) mission. The House and Senate Appropriations Committees added \$105 million to NASA's FY2003 budget (H.R. 5605/S. 2797) for a Pluto mission (the Senate committee specified the PKB mission) and made it the first in the “New Frontiers” series, thereby making \$120 million available in FY2003. The House committee also added \$40 million for the Europa mission. The House committee cut the nuclear power and propulsion program by \$17 million; the Senate committee cut it by \$13 million. See CRS Report RL31347 for more details on the Pluto and Europa missions.

NASA's Earth Sciences program is focused on completing the launches of two dozen satellites that comprise the first phase of its Earth Observing System, which provides data for studying global climate change. NASA developed a plan for a “follow-on” series of missions, but several have been put on hold pending completion of a Bush Administration government-wide plan for global climate change research.

In summary, virtually every aspect of NASA's space activities faces challenges today. Many see NASA struggling to match its ongoing and planned programs with the resources it can expect, and wonder what the nation's long-term goals are for NASA. A “Strategic Resources Review” (SRR) initiated by Mr. Goldin in 2001 at the urging of OMB (when Mr.

O’Keefe was there) was expected to provide information from which NASA could chart its future, including human capital requirements. At a July 18, 2002, House Science subcommittee hearing, however, Mr. O’Keefe said that the SRR did not produce the information anticipated. (The SRR report was submitted to Congress in August 2002 that identified \$100 million in savings or cost avoidances over the next 5 years.) The hearing addressed legislative changes Mr. O’Keefe is seeking to provide human capital “flexibility” as he restructures the agency. Separately, H.R. 4742 (Lampson) would have set long-term goals for the human space flight program, including development and flight demonstration of reusable launch vehicles capable of taking humans to the Moon and Mars. There was no action on that bill.

Military Space Issues

DOD also is facing challenges in its space activities. Several DOD space programs are facing significant cost growth and schedule delays, and, like NASA, DOD also is trying to manage its space activities more effectively. Congress created a commission in the FY2000 DOD authorization bill to make recommendations on the overall management of national security space programs. Chaired by Donald Rumsfeld, the Commission released its report on January 11, 2001, shortly after Mr. Rumsfeld became Secretary of Defense.

The Rumsfeld Commission (or “Space Commission”) made sweeping recommendations for management of DOD and intelligence community space programs (see CRS Report RS20824 for a synopsis). Many expected that with Mr. Rumsfeld as Secretary of Defense (SecDef), space activities would receive a high priority in the Bush Administration, and hoped that increased funding would follow. Implementation of the Rumsfeld Space Commission recommendations is taking longer than expected, however. Also, as SecDef, Mr. Rumsfeld has chosen not to adopt all of the Commission’s recommendations, deciding not to create a new position of Undersecretary of Defense for Space, Intelligence, and Information, for example. GAO issued a letter report in June 2002 summarizing the status of implementation of the Rumsfeld Space Commission recommendations (GAO-02-772R). The September 11, 2001 terrorist attacks significantly changed both DOD priorities and its funding situation, and the impact on space activities is unclear, although for FY2003, the request for space activities (\$18.5 billion) is a significant increase over FY2002 (\$15.8 billion). Much of that apparently will be devoted to compensating for cost growth in several existing programs (see below), however, rather than funding new activities.

Meanwhile, DOD has changed its unified command structure. The Commander in Chief (CINC) of U.S. Space Command (SpaceCom) was “dual-hatted” as the CINC of the U.S.-Canadian North American Aerospace Defense Command (NORAD). As of October 1, 2002, the Commander of the newly created Northern Command (NorthCom) is dual-hatted as the Commander of NORAD, and SpaceCom was merged with U.S. Strategic Command (StratCom). Hence, Space Command no longer exists. (The term “Commander in Chief” also has been eliminated for military officers; it refers now only to the President. Those who lead the unified commands are now designated simply as “Commander.”) The revamped StratCom is responsible both for early warning of, and defense against, missile attacks.

Early Warning Satellites: the SBIRS Program. Among the most prominent DOD-space programs is a new early warning satellite system, the Space Based InfraRed System (SBIRS). This program is discussed in more detail in CRS Report RS21148.

Briefly, DOD is attempting to develop more capable satellites to provide early warning of foreign missile launches, and to support missile defense objectives. SBIRS was proposed and approved in the FY1996 DOD budget. Today, it envisions satellites in both high orbits (“SBIRS-High”) and low orbits (“SBIRS-Low”). SBIRS-High, managed by the Air Force, would replace existing Defense Support Program satellites, with the primary goal of detecting missiles when they are launched. SBIRS-Low, managed by the Missile Defense Agency (MDA, formerly the Ballistic Missile Defense Organization, BMDO), would track missiles from launch to intercept or reentry; track warheads deployed from the missiles; discriminate between warheads and decoys; and pass data to other systems that would attempt to intercept and destroy the missiles or warheads.

SBIRS-High and SBIRS-Low have each encountered technical challenges, schedule delays, and cost increases. Congress has expressed concern about the programs for several years, and in the FY2002 DOD Appropriations Act (P.L. 107-117), reduced funding for both (see CRS Report RS21148). DOD’s FY2003 SBIRS-High request was \$815 million, an 83% increase over FY2002, all for RDT&E (none for procurement). The FY2003 DOD appropriations act (P.L. 107-248) cut the program by \$30 million. The FY2003 DOD authorization act (P.L. 107-314) cut \$40 million.

The FY2003 request for SBIRS-Low was \$294 million. DOD submitted a SBIRS-Low restructuring program to Congress in April 2002 (see CRS Report RS21148). The FY2003 DOD appropriations act (P.L. 107-248) and authorization act (P.L. 107-314) fully fund SBIRS-Low.

Space-Based Lasers and Space-Based Kinetic Energy Weapons for Boost-Phase Missile Defense. Space-based lasers (SBL) and space-based kinetic energy (KE) “hit-to-kill” weapons have been of interest in the context of missile defense since President Reagan announced the Strategic Defense Initiative (“Star Wars”) program in 1983. Conceptually, these weapons would be able to attack missiles while they are still in their boost phase (from launch until burnout), prior to when warheads or decoys are deployed.

Funding for research on SBL has waxed and waned over the years. From 1995-2001, Congress added funds to the DOD request for SBL (\$50 million in FY1996, \$70 million in FY1997, \$98 million in FY1998, and \$74 million in FY1999). The FY1999 DOD authorization conference report directed DOD to release promptly a request for proposals (RFP) for a space based laser readiness demonstrator (SBL-RD). However, the Air Force Scientific Advisory Board concluded that technology was not sufficiently advanced to proceed with the SBL-RD, later renamed the Integrated Flight Experiment (IFX). The Air Force restructured the program so that instead of choosing a single contractor, a Boeing-Lockheed Martin-TRW team would jointly develop IFX, after which a spacecraft contractor will be competitively selected. The companies completed a systems requirements review in April 2001. Congress approved a total of \$148.8 million for SBL in the Air Force and defense-wide accounts for FY2000, and \$148 million in those two accounts for FY2001.

For FY2002, SBL was transferred to BMDO, and \$165 million was requested for the IFX, plus \$5 million for SBL optics. In the FY2002 DOD appropriations act (H.R. 3338, P.L. 107-117), conferees cut \$120 million from SBL. The IFX was effectively killed. In the FY2003 budget justification material, the Missile Defense Agency (which supersedes BMDO) shows that it will spend \$49 million on SBL in FY2002, and is requesting \$35

million for FY2003. The FY2003 DOD appropriations act (P.L. 107-248) cuts SBL by \$10 million. The authorization act (P.L. 107-314) fully funds SBL.

The FY2002 budget also included funds for BMDO to resume work on space-based kinetic energy (KE) weapons: \$5 million for experiment design and \$15 million for concept definition. In the FY2002 DOD appropriations act (H.R. 3338, P.L. 107-117), conferees cut \$10 million from the KE weapons study. The FY2003 request is \$54 million. The FY2003 DOD appropriations act (P.L. 107-248) funds the program as requested. The authorization act (P.L. 107-314) cuts \$21.3 million.

Antisatellite Weapons and Space Control. DOD also has a long standing interest in developing capabilities to protect U.S. satellite systems and to deny the use of space to adversaries. For many years, antisatellite (ASAT) weapons designed to attack other satellites in orbit were viewed as the primary means for denying the use of space to adversaries. More recently, the term “space control” has come into use. Although ASATs are one means of space control, the latter term includes other methods of denying the use of space to adversaries, such as jamming satellite command links, or destroying ground control and launch infrastructure. One disadvantage of ASAT weapons is that they may create debris that could damage other satellites. In 2001, the Commander in Chief of U.S. Space Command expressed reservations about using “kinetic energy” ASATs because of the collateral damage that could be inflicted on U.S. government and commercial satellites (*Aerospace Daily*, March 29, 2001).

An Air Force ASAT development program, using F-15 based interceptors, was terminated in the 1980s because of limitations set by Congress on testing the system. An Army ground-based kinetic-energy ASAT (KEAsat) program was later initiated, but was terminated by the Clinton Administration in 1993 (technology studies continued). DOD has not requested KEAsat funding since then, focusing instead on other space control methods.

Congress has supported DOD budget requests for space control technology funding, and also revived the KEAsat program in FY1996. DOD requested no funding for KEAsat, but Congress added \$30 million that year, \$50 million in FY1997, \$37.5 million in FY1998, \$7.5 million in FY2000, and \$3 million in FY2001. In a December 5, 2000 letter report (GAO-01-228R) to Senator Robert Smith, GAO stated that the program was in disarray, and the \$7.5 million in FY2000 funding had not been released because there was no agreement on a spending plan for the program. *Defense Daily* reported on February 7, 2001 (p. 4) that Senator Smith and the Army had reached agreement and the Army would complete the manufacture of three KEAsat kill vehicles. *Aerospace Daily* reported April 8, 2002 (p. 4-5) that Senator Smith was seeking support from Secretary of Defense Rumsfeld to add funding in FY2003 for two KEAsat flight tests and purchase 10 interceptors and related equipment. No KEAsat funding was included in the FY2003 budget.

As noted, Congress is supporting development of other space control technologies, too. In FY1999, Congress added \$15 million for space control, and allowed some of the \$37.5 million allocated to KEAsat to be spent on space control. For FY2000, Congress added \$3 million to the \$9.8 million requested for space control technology (in the Air Force budget). It approved the \$9.7 million requested for FY2001, and approved \$32.3 million of the \$33 million requested for FY2002. The FY2003 request for space control technology is \$13.8 million. DOD also is requesting \$40 million in a new “counterspace systems” line item in the Air Force budget to support transition of some space control activities into the

engineering and manufacturing development (EMD) phase. The \$13.8 million and the \$40 million were approved in the FY2003 DOD funding bills.

NRO and NIMA. Another aspect of national security space activities involves the NRO. Revelations beginning in September 1995 about poor financial management at NRO led to a review by a panel chaired by retired Admiral David Jeremiah. The 1997 Jeremiah report made 47 recommendations. Some were adopted while others were referred for further study. In response to continuing concerns, the FY2000 intelligence authorization act (P.L. 106-120) established a National Commission on the Review of the National Reconnaissance Office. That Commission's November 2000 report found that NRO requires the personal attention of the President, the Secretary of Defense, and the Director of Central Intelligence and must remain a strong, separate activity focused on innovation. The Commission warned that without such support, significant intelligence failures could result.

In the late 1990s, recognizing that future budgets could be constrained, NRO adopted the Future Imagery Architecture (FIA) plan calling for developing more, smaller, less expensive intelligence collection satellites. In the conference report on the FY2003 intelligence authorization bill (H.R. 4628, H.Rept. 107-789), Congress expressed deep concern about the FIA, saying that technical and funding problems could force "untenable trades between critical future capabilities and legacy systems." With the advent of commercial imaging systems (discussed earlier), DOD and the intelligence community are augmenting the data provided by NRO systems with commercial imagery. According to press reports, for FY2003, Congress increased the budget available to NIMA for purchase of commercial imagery by 13 times (dollar figures were not released).

Space-Based Radar. The FY2001 DOD appropriations (P.L. 106-259) and authorization (P.L. 106-398) acts terminated the Air Force-NRO-Army Discoverer II program that was to involve the launch of two satellites to demonstrate the ability of radar satellites to track mobile targets on the ground. Instead, \$30 million was provided to NRO to develop and mature technologies for such a purpose. Concerns included whether technology was sufficiently mature; the potential cost of an operational system (the House Appropriations Committee estimated it at \$25 billion); and whether DOD could use all the resulting data. For FY2002, DOD requested \$50 million for space-based radar development, which Congress approved in the DOD authorization act (P.L. 107-107). The appropriations act (P.L. 107-117), however, cut that to \$25 million. DOD's request for FY2003 is \$48 million in the Air Force RDT&E account, and another \$43 million in the Defense Emergency Response Fund (DERF), for a total of \$91 million. The FY2003 DOD appropriations act (P.L. 107-248) and authorization act (P.L. 107-314) fund the program at \$48 million (the DERF funding was not included).

Developing New Space Launch Vehicles

Government and private sector launch vehicles are discussed in CRS Issue Brief IB93062. Briefly, a 1994 Clinton Administration policy directive gave NASA primary responsibility for maintaining the reusable space shuttle and developing new reusable launch vehicles (RLVs), while DOD is responsible for expendable launch vehicles (ELVs). Private sector companies also are developing new launch vehicles on their own or in partnership with the government. U.S. government satellites must be launched on U.S. launch vehicles unless the President grants a waiver. Government and commercial customers in the United

States and commercial customers abroad purchase launch services from launch service companies in the United States, Europe, Russia, China, Ukraine, or India.

NASA has been attempting since the 1980s to develop a new RLV to replace the space shuttle that would cost less and have improved safety. Several programs were started and later abandoned. The most recent program was the Space Launch Initiative (SLI) through which NASA planned to fund several companies to develop new RLV technologies, leading to a 2006 decision on what new vehicle to build. In November 2002, NASA announced plans to refocus the SLI program on developing an Orbital Space Plane to take crews to and from the space station. The space plane will use an existing ELV rather than a new RLV. Lowering launch costs is no longer a NASA goal. NASA also announced that it would fund upgrades to the space shuttle to ensure it can safely operate until at least 2015 and perhaps 2020 and beyond, instead of phasing out the shuttle in 2012 as earlier planned. See CRS Issue Brief IB93062.

DOD is pursuing the Evolved Expendable Launch Vehicle (EELV) program to upgrade U.S. expendable launch vehicles to reduce launch costs by at least 25%. Lockheed Martin and Boeing each built EELVs—the Atlas 5 and the Delta 4, both of which succeeded in their first launch attempts in 2002. The companies and DOD shared the development costs, although press reports indicate that the companies are seeking to recoup some of their expenses from DOD in the wake a downturn in the forecast for commercial launch services. NASA's will use an EELV to launch the Orbital Space Plane it now is developing.

Several private companies are attempting to develop their own launch vehicles, although market conditions make it difficult to raise financing. As noted earlier, two bills were introduced in the 107th Congress to encourage investment in such companies (H.R. 2177, Calvert) or associated facilities (H.R. 1931, D. Weldon); there was no action on them. However, the FY2003 DOD authorization act (awaiting signature) creates a loan guarantee program for companies developing in-orbit space transportation systems that could move satellites from one orbit to another (but not launch them from Earth into orbit).

Commercial Space and Trade Issues

Commercial space launch issues are discussed in CRS Issue Brief IB93062. Briefly, the role of the government in encouraging the growth of commercial space businesses either by direct or indirect subsidies, or policies that help stave off foreign competitors, continues to be debated. Some argue that the government provides indirect subsidies to launch services companies by allowing them to use government launch sites at nominal costs and providing a guaranteed market for a certain number of launches. Others insist that the U.S. government is doing no more than foreign governments.

The main competitors to U.S. companies today are Europe, China, Russia, and Ukraine (Ukraine's Zenit launch vehicle is used for the international Sea Launch joint venture that also includes Boeing, Russia's Energia, and Norway's Kvaerner). Most of the satellites that require launches are built in the United States or contain U.S. components, meaning export licenses are required to ship them to the launch site. Thus, the United States has substantial leverage over the success of these competitors in offering launch services. Bilateral agreements were signed with China, Russia, and Ukraine setting forth the conditions under which they offer launch services, both the price they can charge compared to Western prices and setting quotas on the number of launches. The quotas have since been eliminated for

Russia and Ukraine, and the agreement with China expired at the end of 2001. Concerns that China acquired militarily useful information by launching U.S.-built satellites resulted in new U.S. laws and regulations to ensure such technology or information is not transferred to China or other countries. Aerospace industry representatives argue the new regulations are hurting U.S. companies and are seeking revisions. (See CRS Issue Brief IB93062.) As discussed, another commercial space issue concerns the sale of high resolution commercial remote sensing data with very good resolution. At issue is how to allow U.S. companies to compete in this market without sacrificing national security interests.

International Relationships

The shifting world political situation has allowed new relationships to evolve in international space cooperation. Increased cooperation is the result not only of changed political circumstances, but also of constrained budgets throughout the world. All the major space-faring countries are questioning how much they should invest in space. The same budget constraints may preclude the initiation of new programs if a critical mass of funding is not available.

LEGISLATION

P.L. 107-248, H.R. 5010

FY2003 DOD appropriations act. Reported from House Appropriations Committee June 25 (H.Rept. 107-532); passed House June 27. Reported from Senate Appropriations Committee July 18 (S.Rept. 107-213); passed Senate August 1. Conference report (H.Rept. 107-732) passed House October 10, Senate October 16. Signed into law October 23, 2002.

P.L. 107-314, H.R. 4546

FY2003 National Defense Authorization Act. H.R. 4546 reported from House Armed Services Committee May 3, 2002 (H.Rept. 107-436); passed House May 9. S. 2514 reported from Senate Armed Services Committee May 15 (S.Rept. 107-151); passed Senate June 27. Conference report (H.Rept. 107-772) passed House on November 12 and Senate on November 13. Signed into law December 2.

P.L. 107-306, H.R. 4628

FY2003 Intelligence Authorization Act. H.R. 4628 reported from House Intelligence Committee July 18, 2002 (H.Rept. 107-592); passed House July 25. S. 2506 reported from Senate Intelligence Committee May 13 (S.Rept. 107-149) and from Senate Armed Services Committee on July 9 (S.Rept. 107-208). H.R. 4628 passed Senate September 25 with text of S. 2506 as amendment. Conference report (H.Rept. 107-789) passed House and Senate November 15. Signed into law November 27.

H.R. 5605 (Walsh)/S. 2797 (Mikulski)

FY2003 VA-HUD-IA appropriations act (includes NASA). S. 2797 reported from Senate Appropriations Committee July 25, 2002 (S.Rept. 107-222). H.R. 5605 reported from House Appropriations Committee October 10 (H.Rept. 107-740). No further action.